FOURTH QUARTER OF 2017

October, November, December

Ontario Employment Report

ONTARIO MINISTRY OF FINANCE

Ontario

Introduction

About the Ontario Employment Report

The Ontario Employment Report is released four times a year and provides an assessment of the current trends and developments in the Ontario labour market. The Ontario Employment Report is a companion report to the Ontario Economic Accounts, which provides an overall assessment of the current state of the Ontario economy. Most estimates in the Ontario Employment Report are based on Statistics Canada data. Its primary audience includes economists in both public and private sectors and credit rating agencies.

Methodological Note

In the current issue, year-over-year change represents change between the averages in the fourth quarter of 2016 and the fourth quarter of 2017. Note that the Ontario Economic Accounts report primarily shows changes between the previous and the current quarter.

This report uses seasonally adjusted data in charts displaying data with a monthly frequency in the Overview and Employment Trends sections.

Unadjusted data is used in charts and tables showing the changes for the current quarter compared with the same quarter for the previous year. Unadjusted data is also used to calculate annual averages, year-to-date averages and 2017 fourth quarter averages.

Overview

Strength in Ontario's Labour Market Continues

Year-over-year, Ontario's fourth quarter employment increased by 171,800 (+2.4%).

On an annual basis, employment growth in Ontario accelerated in 2017, posting the strongest gain since 2003. Employment increased by 128,000 in 2017, following gains of 45,000 in 2015 and 76,000 in 2016. Ontario's unemployment rate has also improved considerably. As of December 2017, Ontario's unemployment rate was 5.5%, below the Canadian rate for the 33rd consecutive month. On an annual basis, the unemployment rate declined to 6.0% in 2017, the lowest since 2000.

As of December 2017, employment was 8.6% (+572,600 jobs) above the pre-recession peak and 13.3% (+845,100 jobs) above the recessionary low. The unemployment rate in December 2017 was 4.1 percentage points below the recessionary level (9.6% in June 2009) and 1.1 percentage point below the pre-recession level (6.6% in October 2008).

Ontario's Labour Force

Employment:

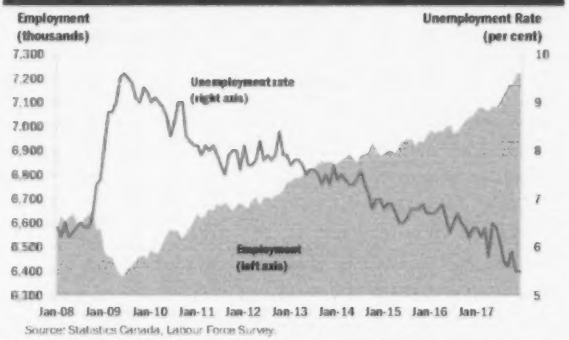
+171,800 net new jobs year-over-year
+128,000 net new jobs in 2017

Unemployment rate:

6.0% in 2017
5.5% in December 2017

Source: Statistics Canada, Labour Force Survey

Ontario's Labour Market Strengthening



Source: Statistics Canada, Labour Force Survey

Employment Trends

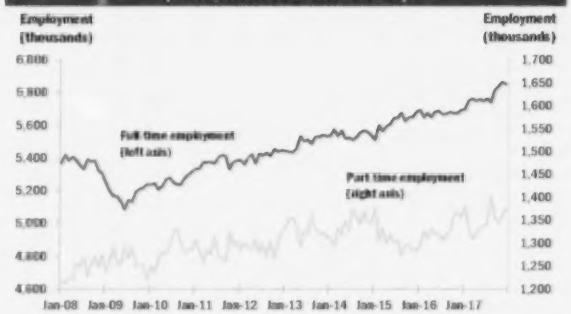
Post-Recession Trends: Most New Jobs Are Full-Time

Since the recessionary low (June 2009), Ontario gained 765,000 full-time jobs and 80,000 part-time jobs. Full-time jobs represent over 90% of the total net job gain.

Since June 2009, employment in the service-producing industries has increased by 704,800, while employment in the goods-producing industries has increased by 140,300. Employment in the service-producing industries has been increasing more rapidly than in the goods-producing industries since the early 1980s.

Employment gains have differed across the five main geographic regions of the province. Since the recession, the most rapid gains in employment have occurred in the Greater Toronto Area and Central Ontario. Northern Ontario's employment has edged down since the recession.

Employment by Worker Status (Full-Time & Part-Time)

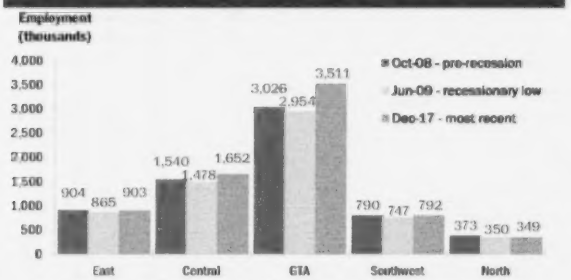


Source: Statistics Canada, Labour Force Survey.

Employment by Service-Producing and Goods-Producing Industries

Source: Statistics Canada, Labour Force Survey.

Employment by Ontario Region



Note: Three month moving averages (3MMA) are used to smooth out month-to-month irregular movements caused by the relatively smaller sample sizes of regions within Ontario. Data are adjusted for seasonality.
Sources: Statistics Canada, Labour Force Survey and Ontario Ministry of Finance.

Employment Trends

Post-Recession Trends: Strong Private Sector Job Growth

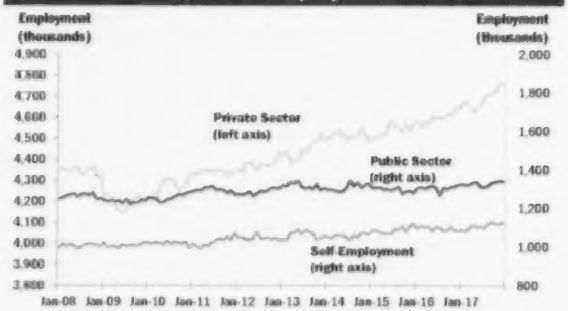
The most rapid job growth since the recession has been in the private sector. This sector experienced more job losses during the recession, compared to the public sector and self-employment.

Since June 2009, private sector monthly employment has increased by 614,800 jobs, while self-employment has increased by 117,600 jobs, and public sector employment has increased by 112,700. Private sector jobs represent over 70% of the economy-wide job gain.

Since the recessionary employment low, youth (15-24 years old) have gained 92,000 jobs (+10.3%), core-aged population (25-54 years old) have gained 218,200 jobs (+4.9%), while workers aged 55 and older have gained 534,900 jobs (+50.5%).

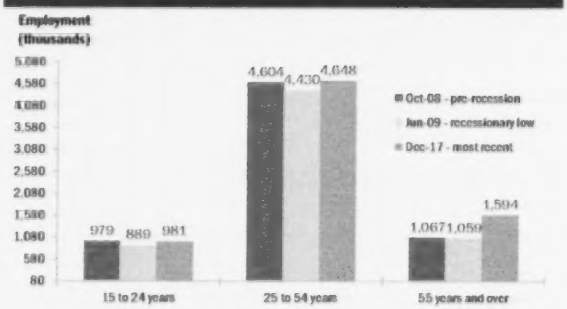
Since the recessionary low point, males have gained more jobs (+474,700) than females (+370,400). During the recession, employment declined more for males than females.

Employment by Public, Private Sectors and Self-Employment


Employment (thousands)
Employment (thousands)
Private Sector (left axis)
Public Sector (right axis)
Self-Employment (right axis)
Jan-08 Jan-09 Jan-10 Jan-11 Jan-12 Jan-13 Jan-14 Jan-15 Jan-16 Jan-17

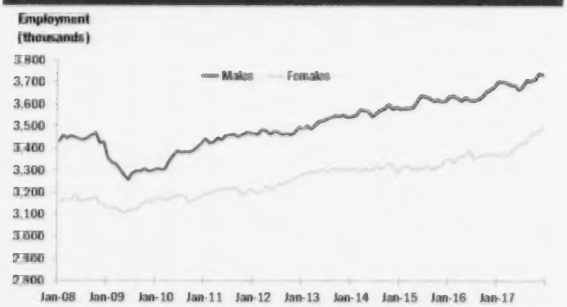
Source: Statistics Canada, Labour Force Survey.

Employment by Age Group



Source: Statistics Canada, Labour Force Survey.

Employment by Gender



Source: Statistics Canada, Labour Force Survey.

Quarterly Details

Type of Work

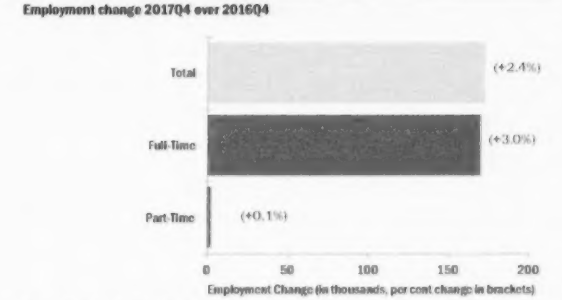
Year-over-year, full-time employment increased by 3.0% in the fourth quarter, while part-time employment rose by 0.1%.

Private sector jobs experienced the largest increase, followed by self-employment and public sector employment.

Meanwhile, the self-employed recorded the highest growth rate at 2.7%, followed by private sector employees at 2.5% and public sector employees at 1.9%.

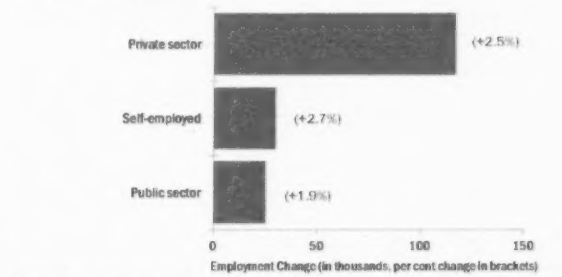
Below-average wage industries experienced slightly higher employment growth at 2.5%, while employment in above-average industries rose by 2.3%, year-over-year.

Employment Change by Full-Time, Part-Time Status



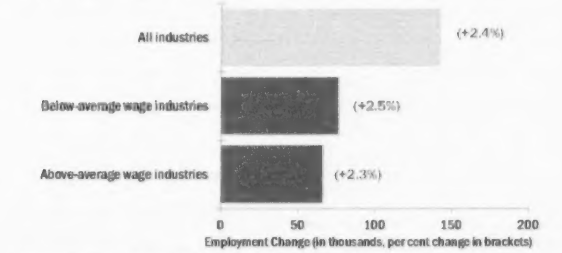
Source: Statistics Canada, Labour Force Survey.

Employment Change by Employment Sector



Source: Statistics Canada, Labour Force Survey.

Employment Change by Above-, Below-Average-Wage Industries



Note: Above average wage industries are defined as those with earnings above the average hourly earnings of all industries in 2016. Self-employment is excluded.
Source: Statistics Canada, Labour Force Survey.

Quarterly Details

Sector and Occupation

In the final quarter of 2017, there were significant employment gains in both the service-producing sector (+2.3%) and goods-producing sector (+3.0%), year-over-year.

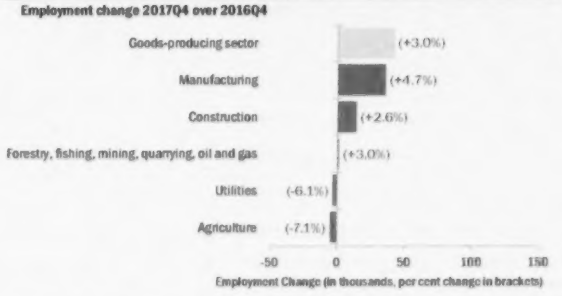
Among goods-producing industries, the manufacturing sector added the most jobs, growing by 4.7% over the same period. Utilities and Agriculture experienced modest declines.

Overall, the wholesale and retail trade industry gained the most jobs but the transportation and warehousing industry experienced the most rapid growth (+7.5%). The business, building & other support services industry had the largest decline in employment year-over-year.

On a year-over-year basis, management occupations had the largest employment increase and the strongest rate of growth at 15.6%. Other occupation categories with positive employment growth were sales and service occupations; occupations in manufacturing and utilities; natural and applied sciences and related occupations; business, finance and administration occupations; health occupations and trades, transport and equipment operators and related occupations.

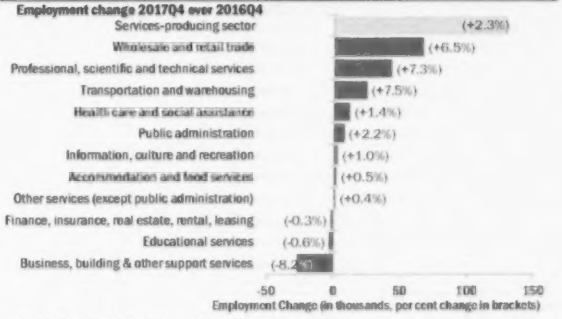
Employment in the remaining occupational categories has decreased at varying rates, with the largest and most rapid decline in occupations in education, law and social, community and government services.

Employment Change by Industry Goods-Producing Industries


Employment change 2017Q4 over 2016Q4
Goods-producing sector (+3.0%)
Manufacturing (+4.7%)
Construction (+2.6%)
Forestry, fishing, mining, quarrying, oil and gas (+3.0%)
Utilities (-6.1%)
Agriculture (-7.1%)
-50 0 50 100 150
Employment Change (in thousands, per cent change in brackets)

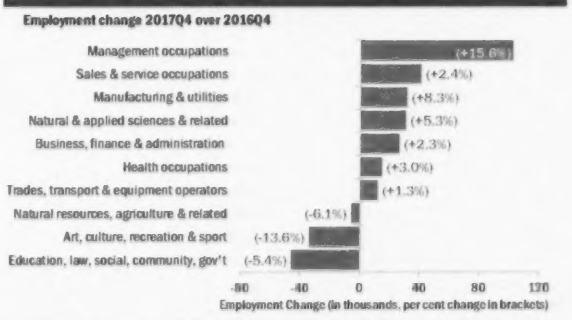
Source: Statistics Canada, Labour Force Survey.

Employment Change by Industry Service-Producing Industries


Employment change 2017Q4 over 2016Q4
Services-producing sector (+2.3%)
Wholesale and retail trade (+6.5%)
Professional, scientific and technical services (+7.3%)
Transportation and warehousing (+7.5%)
Health care and social assistance (+1.4%)
Public administration (+2.2%)
Information, culture and recreation (+1.0%)
Accommodation and food services (+0.5%)
Other services (except public administration) (+0.4%)
Finance, insurance, real estate, rental, leasing (-0.3%)
Educational services (-0.6%)
Business, building & other support services
-50 0 50 100 150
Employment Change (in thousands, per cent change in brackets)

Source: Statistics Canada, Labour Force Survey.

Employment Change By Occupation


Employment change 2017Q4 over 2016Q4
Management occupations (+15.6%)
Sales & service occupations (+2.4%)
Manufacturing & utilities (+8.3%)
Natural & applied sciences & related (+5.3%)
Business, finance & administration (+2.3%)
Health occupations (+3.0%)
Trades, transport & equipment operators (+1.3%)
Natural resources, agriculture & related (-6.1%)
Art, culture, recreation & sport (-13.6%)
Education, law, social, community, gov't (-5.4%)
-80 -40 0 40 80 120
Employment Change (in thousands, per cent change in brackets)

Source: Statistics Canada, Labour Force Survey.

Quarterly Details

Geographic Region

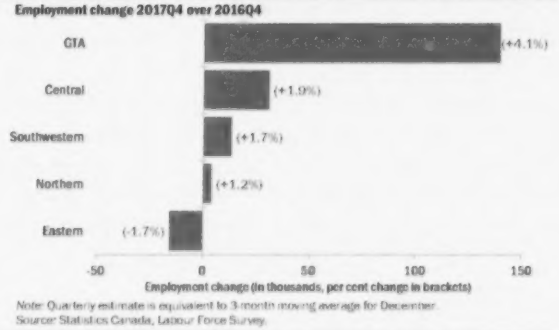
Year-over-year, fourth quarter employment among the five Ontario regions increased the most in the Greater Toronto Area (GTA)[1] (+4.1%), followed by Central Ontario with a rise of 1.9%, Southwestern Ontario with a rise of 1.7% and Northern Ontario at 1.2%.

Eastern Ontario was the only region that experienced fourth quarter employment decline (-1.7%), year-over-year.

In the fourth quarter, the GTA had the highest unemployment rate (5.4%) and Central Ontario had the lowest unemployment rate (4.5%).

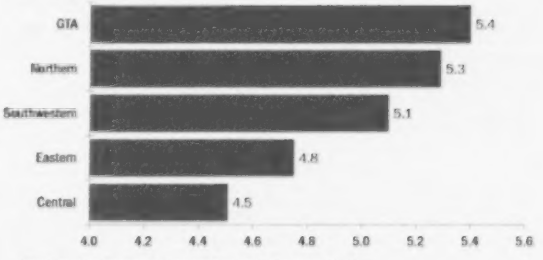
Quarterly labour force participation rates varied considerably among the economic regions. In the fourth quarter, participation rates ranged from 66.3% in the GTA to 58.8% in Northern Ontario.

Employment Change by Ontario Region



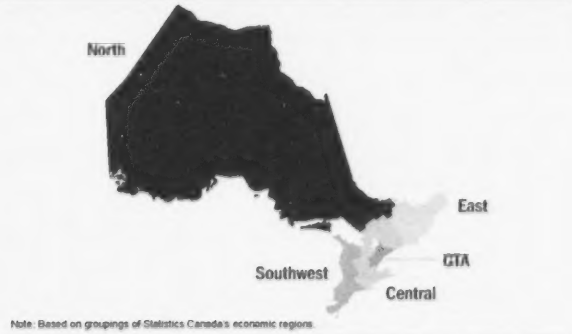
Note: Quarterly estimate is equivalent to 3-month moving average for December.
Source: Statistics Canada, Labour Force Survey.

Unemployment Rates by Ontario Region



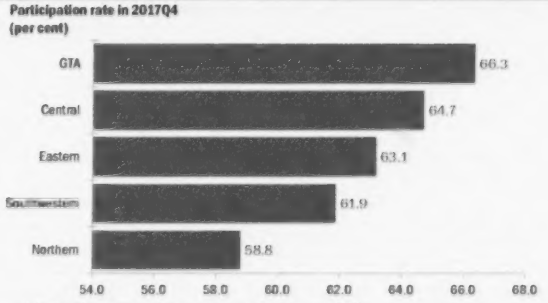
Note: Based on three-month moving average for December 2017.
Source: Statistics Canada, Labour Force Survey.

Ontario Regions



Note: Based on groupings of Statistics Canada's economic regions.

Participation Rates by Ontario Region



Note: Based on three-month moving average for December 2017.
Source: Statistics Canada.

[1] This economic region closely matches the GTA, the main exception being that it excludes the city of Burlington.

Quarterly Details

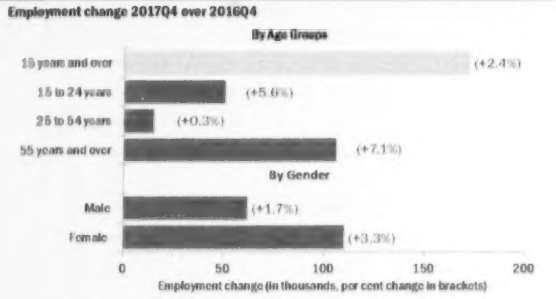
Age and Gender

Compared to the same quarter last year, workers aged 55 and older gained the most jobs, followed by core-aged (25-54 years old) workers and youth (15-24 years old). Both older workers (+7.1%) and youth (+5.6%) experienced above-average employment growth year-over-year. Females gained more jobs than males over the same period.

In the fourth quarter, older workers had the lowest unemployment rate at 3.9% and the unemployment rate of core-aged workers was 4.4%. The unemployment rate of youth was 10.1%, the highest among the three major age groups. Females (4.7%) had a lower unemployment rate than males (5.4%) in the fourth quarter of 2017.

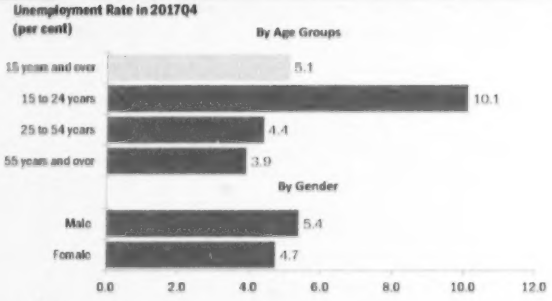
In the fourth quarter, core-aged workers had the highest participation rate at 85.2%, followed by youth at 59.1% and older workers at 39.1%. Females (60.7%) had a lower participation rate than males (68.8%) in the fourth quarter of 2017.

Employment Change by Age Group and Gender



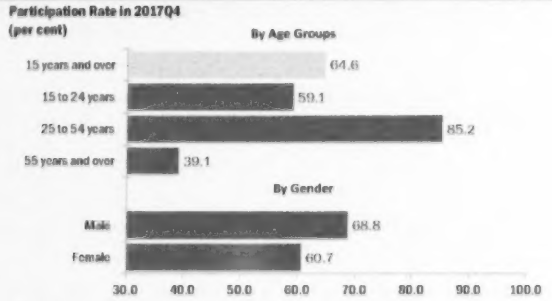
Source: Statistics Canada, Labour Force Survey.

Unemployment Rates by Age Group and Gender



Source: Statistics Canada, Labour Force Survey.

Participation Rates by Age Group and Gender



Source: Statistics Canada, Labour Force Survey.

Quarterly Details

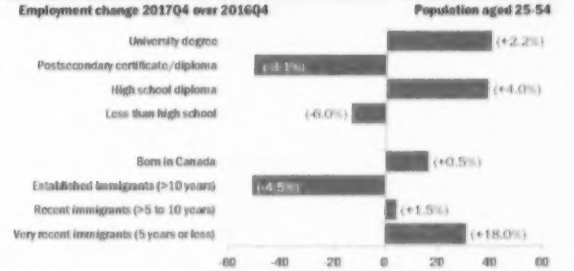
Education Level and Immigrant Status

In the final quarter of 2017, among core-aged population (25-54 years old), university graduates gained the most jobs, followed by high school diploma holders, year-over-year. Conversely, employment among holders of a postsecondary certificate/diploma declined. Employment of those with below high school education also declined. Year-over-year, fourth quarter employment of core-aged very recent immigrants (5 years or less since landing) increased the most, followed by those born in Canada and recent immigrants (more than 5 to 10 years since landing). Conversely, the number of jobs held by established immigrants (10 years or more since landing) decreased.[2]

In the fourth quarter of 2017, core-aged university graduates had the lowest unemployment rate (3.8%), followed by those with a postsecondary certificate/ diploma (4.2%), high school graduates (5.1%) and those lacking a high school diploma (7.2%). Among groups by immigrant status, core-aged workers born in Canada had the lowest unemployment rate (3.7%), followed by established immigrants (5.1%), recent immigrants (5.2%) and very recent immigrants (9.1%).

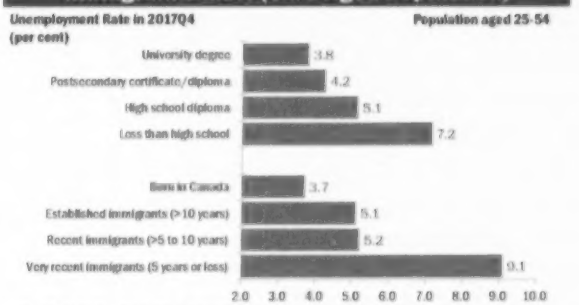
In the fourth quarter, among core-aged population groups by educational attainment, university graduates had the highest labour force participation rate and those lacking a high school diploma had the lowest rate. Among core-aged population groups by immigrant status, very recent immigrants had the lowest labour force participation rate, while those born in Canada had the highest rate.

Employment Change by Education Level and Immigrant Status (Core-Aged Population)



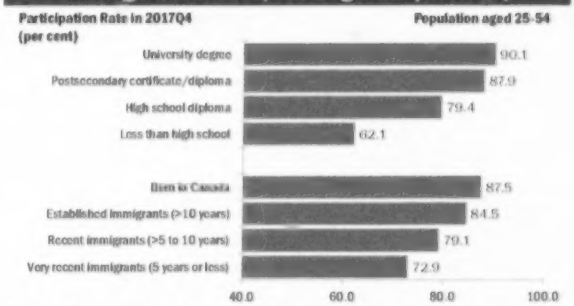
Note: Quarterly estimate by immigrant status is equivalent to 3-month moving average for December.
Source: Statistics Canada, Labour Force Survey

Unemployment Rates by Education Level and Immigrant Status (Core-Aged Population)



Note: Rate by immigrant status is based on three-month moving average for December.
Source: Statistics Canada.

Participation Rates by Education Level and Immigrant Status (Core-Aged Population)



Note: Rate by immigrant status is based on three-month moving average for December.
Source: Statistics Canada.

[2] Changes in employment numbers may be influenced by several factors. For instance, the decline in the employment number of established immigrants is a result of the declining population cohort (-2.2%), a decline in the participation rate (-1.8 percentage points) and a slight increase in the unemployment rate (+0.2 percentage points).

Vacancies, Vacancy Rates and Average Offered Wages

In Focus

Ontario's Vacancy Rate Above the National Average

In the third quarter of 2017, Ontario's vacancy rate[3] (3.0%) was above the national vacancy rate (2.9%) for the 8th consecutive quarter. Ontario's (3.0%) vacancy rates was second highest among provinces, after British Columbia (4.2%). Among Canadian provinces, Ontario had the second highest average offered hourly wage rate[4] ($20.40), after Alberta ($21.35).

Most Vacancies Did Not Require Postsecondary Education

In the third quarter of 2017, 60.5% of vacancies did not require any minimum level of education or only required a high school diploma. About 7.1% of vacancies required an apprenticeship or trade certificate, 19.1% required a college or university certificate, 11.1% required a Bachelor's degree, and 2.1% required a graduate degree. Around a half of all vacancies (48.9%) required less than one year of experience and about 11% of vacancies required 5 years of experience or more.

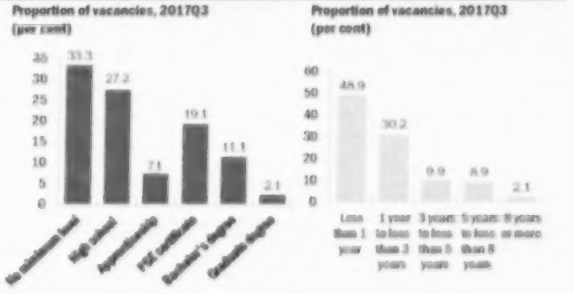
Most Vacancies in Occupational Groups with Above-Average Offered Wages

In the third quarter of 2017, over a half of vacancies were in broad occupational groups with above-average offered wage rates.[5] Over a third (36.0%) of all vacancies were in sales and service occupations, with the average offered wage rate of $13.75 per hour, the lowest among broad occupational groups. The highest average hourly wage rate was offered for management occupations ($38.60), followed by natural and applied sciences and related occupations ($31.90).

Vacancy and Wage Rates by Province

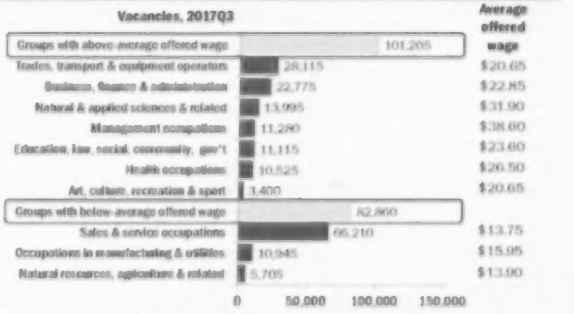
Source: Statistics Canada, Job Vacancy and Wage Survey

Proportion of Vacancies by Education and Experience Level



Source: Statistics Canada, Job Vacancy and Wage Survey

Vacancy and Wage Rates by Broad Occupational Group


Vacancies, 2017Q3
Average offered wage
Groups with above-average offered wage 101,205
Trades, transport & equipment operators 28,115 $20.65
Business, finance & administration 22,775 $22.85
Natural & applied sciences & related 13,995 $31.90
Management occupations 11,280 $38.60
Education, law, social, community, gov't 11,115 $23.60
Health occupations 10,525 $26.50
Art, culture, recreation & sport 3,400 $20.65
Groups with below-average offered wage 82,860
Sales & service occupations 66,210 $13.75
Occupations in manufacturing & utilities 10,945 $15.95
Natural resources, agriculture & related 5,705 $13.90
0 50,000 100,000 150,000

Source: Statistics Canada, Job Vacancy and Wage Survey

[3] The job vacancy rate refers to the share of jobs that are unfilled out of all available payroll jobs.

[4] The average hourly wage offered by employers for vacant positions. It excludes overtime, tips, commissions and bonuses. Salaries are converted to hourly wages. The offered wage may be different from the actual wage paid once the position is filled.

[5] The average offered wage in the third quarter of 2017 was $20.40.

Overview of Annual Employment Ten-Year Review

Data Table

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Labour Force (000)	7,074.4	7,080.2	7,160.9	7,227.4	7,276.4	7,383.8	7,418.6	7,426.1	7,489.5	7,579.8
Participation Rate (%)	67.7	67.0	66.8	66.6	66.2	66.3	65.8	65.2	65.0	64.9
Male Participation Rate (%)	72.5	71.5	71.1	71.1	70.7	70.5	70.3	70.0	69.5	69.2
Female Participation Rate (%)	63.1	62.6	62.8	62.3	61.9	62.2	61.6	60.7	60.7	60.7
Total Employment (000)	6,610.3	6,432.7	6,537.8	6,658.4	6,702.6	6,823.4	6,877.9	6,923.2	6,999.6	7,128.0
- Full-time (000)	5,366.8	5,174.0	5,256.1	5,373.5	5,412.0	5,489.5	5,540.0	5,618.2	5,672.6	5,778.7
- Part-time (000)	1,243.5	1,258.7	1,281.8	1,284.8	1,290.6	1,334.0	1,337.9	1,305.0	1,327.0	1,349.3
Employment-Population Ratio (%)	63.3	60.9	61.0	61.4	60.9	61.2	61.0	60.8	60.7	61.0
Male Employment (000)	3,445.0	3,300.8	3,363.6	3,450.4	3,471.5	3,522.8	3,567.1	3,607.1	3,635.9	3,700.9
Female Employment (000)	3,165.2	3,131.9	3,174.2	3,207.9	3,231.1	3,300.6	3,310.8	3,316.1	3,363.7	3,427.1
Part-Time (% of total)	18.8	19.6	19.6	19.3	19.3	19.6	19.5	18.8	19.0	18.9
Goods-Producing Sector Employment (000)	1,502.0	1,365.0	1,380.6	1,408.7	1,415.3	1,397.5	1,382.0	1,401.4	1,418.1	1,432.6
Services-Producing Sector Employment (000)	5,108.3	5,067.7	5,157.3	5,249.7	5,287.3	5,425.9	5,495.9	5,521.7	5,581.4	5,695.4
Private Sector Employment (000)	4,346.2	4,194.7	4,268.2	4,339.7	4,373.0	4,447.0	4,517.0	4,540.7	4,597.3	4,690.6
Public Sector Employment (000)	1,260.5	1,232.8	1,254.7	1,294.3	1,286.0	1,314.0	1,305.4	1,294.1	1,306.4	1,329.1
Self-Employment (% of total)	15.2	15.6	15.5	15.4	15.6	15.6	15.3	15.7	15.7	15.5
Total Unemployment (000)	464.1	647.5	623.1	569.1	573.8	560.3	540.7	502.9	489.9	451.8
Unemployment Rate (%)	6.6	9.1	8.7	7.9	7.9	7.6	7.3	6.8	6.5	6.0
Male Unemployment Rate (%)	6.9	10.5	9.4	8.2	8.3	8.0	7.5	7.0	6.8	6.2
Female Unemployment Rate (%)	6.2	7.7	8.0	7.6	7.5	7.2	7.1	6.5	6.3	5.7
Long-Term (27 wks+) (% of total)	13.7	18.8	24.9	24.1	22.7	22.9	22.8	20.0	19.9	19.5
Average Unemployment in Weeks	14.8	18.4	22.0	22.4	22.2	21.8	22.4	20.0	19.9	19.3
Youth Unemployment Rate (%)	13.8	17.6	17.4	15.9	17.0	16.2	15.7	14.7	14.0	12.3
25-54 y.o. Unemployment rate (%)	5.3	7.8	7.3	6.5	6.4	6.2	5.9	5.6	5.4	5.0
55+ y.o. Unemployment rate (%)	4.9	6.6	6.4	6.0	5.8	5.5	5.3	4.9	4.9	4.5
Average Weekly Wage Rate ($)	813.07	828.35	842.35	862.45	883.12	895.56	907.17	938.09	958.50	967.44
Average Hourly Wage Rate ($)	22.09	22.66	23.09	23.55	24.09	24.48	24.82	25.59	26.15	26.43

Source: Statistics Canada, Labour Force Survey.

Overview of Quarterly Employment Year-over-Year

Data Table

	2016q1	2017q1	2016q2	2017q2	2016q3	2017q3	2016q4	2017q4
Total Labour Force (000)	7,384.5	7,458.6	7,544.2	7,602.6	7,559.8	7,658.9	7,469.4	7,598.9
Participation Rate (%)	64.4	64.2	65.6	65.2	65.5	65.4	64.5	64.6
Male Participation Rate (%)	68.8	68.6	69.9	69.6	70.3	69.9	69.0	68.8
Female Participation Rate (%)	60.2	60.0	61.5	61.0	60.9	61.1	60.2	60.7
Total Employment (000)	6,872.4	6,972.0	7,047.3	7,129.7	7,037.0	7,197.0	7,041.6	7,213.4
- Full-time (000)	5,515.5	5,583.5	5,721.7	5,799.3	5,804.3	5,913.7	5,648.7	5,818.4
- Part-time (000)	1,356.9	1,388.5	1,325.6	1,330.4	1,232.7	1,283.3	1,392.9	1,394.9
Employment-Population Ratio (%)	59.9	60.0	61.3	61.2	61.0	61.5	60.8	61.4
Male Employment (000)	3,545.2	3,614.0	3,645.3	3,700.2	3,683.9	3,758.8	3,669.2	3,730.9
Female Employment (000)	3,327.2	3,358.0	3,401.9	3,429.5	3,353.0	3,438.2	3,372.4	3,482.5
Part-Time (% of total)	19.7	19.9	18.8	18.7	17.5	17.8	19.8	19.3
Goods-Producing Sector Employment (000)	1,375.7	1,368.0	1,417.1	1,424.9	1,456.6	1,472.2	1,423.2	1,465.2
Services-Producing Sector Employment (000)	5,496.7	5,604.1	5,630.2	5,704.7	5,580.4	5,724.8	5,618.4	5,748.2
Private Sector Employment (000)	4,466.8	4,561.5	4,612.1	4,666.5	4,682.1	4,789.5	4,628.0	4,744.9
Public Sector Employment (000)	1,310.1	1,332.9	1,334.6	1,351.3	1,258.6	1,285.1	1,322.1	1,347.1
Self-Employment (% of total)	15.9	15.5	15.6	15.6	15.6	15.6	15.5	15.5
Total Unemployment (000)	512.1	486.6	497.0	473.0	522.8	462.0	427.8	385.5
Unemployment Rate (%)	6.9	6.5	6.6	6.2	6.9	6.0	5.7	5.1
Male Unemployment Rate (%)	7.8	7.0	6.9	6.5	6.8	5.9	5.8	5.4
Female Unemployment Rate (%)	6.0	6.0	6.3	5.9	7.1	6.2	5.7	4.7
Long-Term (27 wks+) (% of total)	19.7	20.3	19.6	19.0	19.9	18.2	20.6	20.4
Average Unemployment in Weeks	19.6	20.4	20.1	18.9	20.1	17.9	20.1	20.1
Youth Unemployment Rate (%)	13.9	14.7	14.5	13.3	15.0	11.3	12.6	10.1
25-54 y.o. Unemployment rate (%)	6.0	5.3	5.3	5.1	5.6	5.4	4.7	4.4
55+ y.o. Unemployment rate (%)	5.5	5.3	4.9	4.7	4.9	4.1	4.3	3.9
Average Weekly Wage Rate ($)	959.29	957.27	958.34	962.03	960.09	970.13	959.29	979.94
Average Hourly Wage Rate ($)	26.27	26.34	26.12	26.28	25.99	26.28	26.27	26.80

Source: Statistics Canada, Labour Force Survey